



**PRIME VALUE-ADD CITY
CENTRE OFFICE OPPORTUNITY
WITH ASSET MANAGEMENT
POTENTIAL**





INVESTMENT SUMMARY

- A rare opportunity to acquire one of the most prominent office buildings in Nottingham's Central Business District.
- Located in Nottingham, the regional and commercial capital of the East Midlands. Nottingham is one of England's eight core cities and home to many leading corporate and public sector occupiers.
- City Gate East & West is situated at the very heart of Nottingham's Central Business District and occupies a highly prominent dual island site at the junction of Maid Marian Way and Upper Parliament Street.
- Comprises two part refurbished interlinked offices buildings, both with an impressive curved façade and a striking visual appearance.
- City Gate East is arranged over ground and seven upper floors and City Gate West over ground and two upper floors. The accommodation totals 16,338.80 sq m (175,873 sq ft).
- 501 car parking spaces, providing an exceptional city centre car parking ratio of 1:334 sq ft.
- Tenure - held long leasehold with in excess of 132 years unexpired. The current ground rent is £85,000 per annum with the next rent review due 2045.
- Total current passing rent of £1,675,563 per annum after ground rent payaway, with an estimated rental value of £2,073,638 per annum after ground rent payaway.
- Attractive weighted average unexpired term of approximately 7.18 years to lease expiries and 4.26 years to break clauses.
- The property has a high quality tenant line up, being let to 11 tenants including high profile corporate occupiers including Scape Group, Experian, Domestic & General, RSM, Nottingham Trent University, Regus, Arup, JLL and LSH amongst others.
- Exceptional income diversity, with a strong overall covenant profile. Over 80% of the tenant covenants offer D&B ratings of 'Minimum Risk of Business Failure'.
- The property has 2,429.86 sq m (26,155 sq ft) of vacant accommodation on 3rd, 4th and 7th Floor City Gate East and 1st Floor City Gate West. This provides the opportunity to drive rents and value in the short term, benefiting from the shortage of office supply within Nottingham City Centre.
- Low average rent of less than £11.00 per sq ft, set against the current prime rent in Nottingham of £19.50 per sq ft. This offers significant future asset management potential to improve running yield and returns.

PROPOSAL

We are instructed to seek offers in excess of **£15,700,000** subject to contract and exclusive of VAT.

A purchase at this level reflects an **attractive Net Initial Yield of 10.00%**, potential reversionary yield of 12.37% and a **low capital value of £89.27 per square foot**, assuming standard purchaser costs.



NOTTINGHAM

Positioned at the heart of the UK, Nottingham is the economic powerhouse for the East Midlands, being the principal commercial and administrative centre for the region.

The city has a catchment population of over 1.3 million people and forms the centre of the UK's 8th largest urban area. It has a catchment of over 3 million people within half an hour's drive time. Nottingham is one of eight members of the English Core Cities Group and benefits from a £12.1 billion economy.

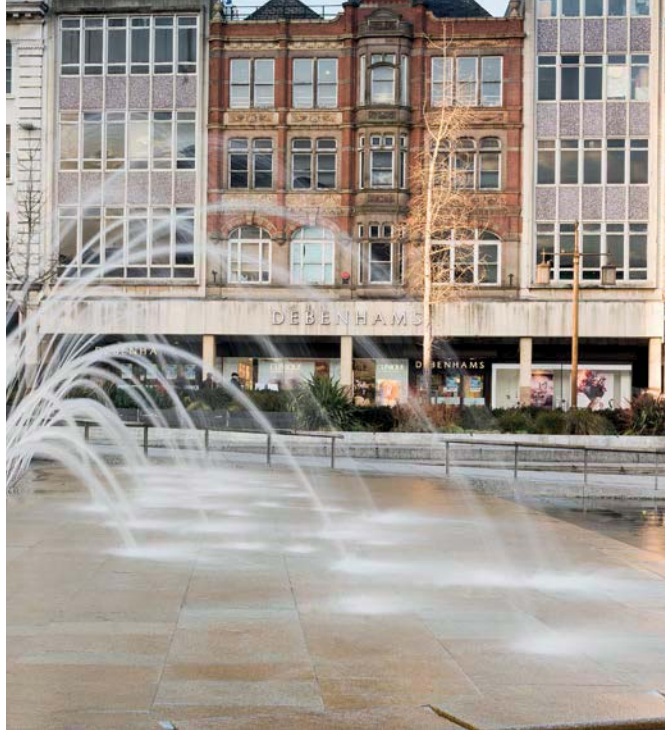
Nottingham has a working population of over 850,000 people of which over 620,000 are in full time employment. It is also home to two of the UK's leading universities; The University of Nottingham and Nottingham Trent University, which are attended by approximately 60,000 students. This pool of educated and skilled labour is a major attraction for businesses located in the city.

Nottingham continues to attract a number of international corporations with over 50 Regional and National headquarters located in the city.

The city has recently benefited from a number of major infrastructure projects including the £150 million pound upgrading of Nottingham Station to create the Nottingham Transport Hub. The £570 million pound extension of the NET Tram system connecting the existing line from the city centre to Toton at J25 of the M1 Motorway (adjacent to the new HS2 East Midlands Hub) and the dualling of the A453 between the M1 Motorway at J24 and Nottingham city centre. Combined, this infrastructure spend has been one of the largest in any of the regional cities in the UK and has significantly enhanced the position of Nottingham as a core regional location.

Nottingham is located approximately 125 miles (200 km) north of London, 55 miles (88.5 km) north east of Birmingham and 83 miles (133 km) south east of Manchester.





Key occupiers include:



FREETHS



SIEMENS

vision **express**



**EVERSHEDS
SUTHERLAND**



Geldards
law firm

brownjacobson





CONNECTIVITY

Nottingham benefits from a world class, multi-modal integrated transport infrastructure, providing exceptional local, national and international connections.



Road

Excellent access to the national Motorway network by virtue of a central UK location, directly adjacent to junctions 24, 25 and 26 of the M1 Motorway, and also in close proximity to the A42 / M42 link to the West Midlands and the A50 link to the North West. Significant upgrades to the road

network have been carried out with the dualling of the A453 between Junction 24 of the M1 and Nottingham city centre, completed in 2015, and the installation of smart motorway from junctions 23a to 25 of the M1, due to be completed in late 2018.



Rail

Nottingham benefits from extensive intercity and regional rail services, with regular services to London St Pancras International every 30 minutes, via the Midland main line, with a fastest journey time of 1 hour 31 minutes and connecting directly with Eurostar services to the continent. Other major cities are also served by fast direct services including Derby (21 minutes),

Leicester (26 minutes), Birmingham (1 hour 14 minutes) and Manchester (1 hour 49 minutes). Nottingham Station has recently undergone a £150m refurbishment and upgrade project to create a true transport hub for the East Midlands. A dedicated HS2 station is planned at Toton to the West of Nottingham.



Nottingham Express Transit Tram System

The city benefits from the Nottingham Express Transit (NET) tram system, one of the UK's most successful rapid transport systems. The system is formed of two lines which connect Phoenix Park and Hucknall

in the north with Toton and Clifton in the south via the city centre. The southern extension to Toton via Chilwell and Beeston was completed in 2015 at a cost of £570 million.



Air

Nottingham is served by East Midlands Airport, located 12 miles to the south west of the city. East Midlands Airport is connected to Nottingham city centre by the 24 hour Skylink bus service and direct rail services to the nearby East Midlands Parkway, with a fastest journey

time of 10 minutes. It is the 13th busiest airport in the UK in terms of passenger traffic and is a major cargo hub, being the 2nd busiest airport for freight traffic after London Heathrow. It provides daily direct flights serving the principal European and International destinations.



Nottingham is located at the very heart of the United Kingdom, and at the centre of the country's infrastructure platform.





1. Intu Victoria Centre
2. Motorpoint Arena
3. Old Market Square
4. Intu Broadmarsh Centre
5. Castle Meadow
6. Nottingham Castle
7. Royal Standard Place
8. Nottingham Cathedral
9. Chapel Quarter
10. The Axis
11. Theatre Royal Concert Hall
12. Nottingham Trent University



NET Tram Line Stops



**CITY
GATE**
EAST + WEST

SITUATION

City Gate East & West occupies a highly prominent position within Nottingham's Central Business District.

The property is situated at the northern end of Maid Marian Way and benefits from a dual island site with prominent frontages to Tollhouse Hill, Upper Parliament Street, Derby Road and Wollaton Street. The property is situated in a prime commercial position with nearby occupiers including KPMG, RBS, Barclays, Freeths, Reuters, Global Radio, Ofsted and The Driving Standards Agency.

The traditional centre of the city, Old Market Square, is some 300 metres to the south east and is home to Nottingham Council House and NET transport connections. Clumber Street, the city's prime 'high street' retailing pitch is a short walk beyond Old Market Square with links north and south to the Victoria Centre and Broadmarsh Centre, the city's principal shopping centres.

The local area comprises modern and period office buildings with active ground floor uses including retail and bar / restaurant facilities that complement the Business District function. Surrounding landmark buildings include The Axis, Chapel Quarter, Nottingham Cathedral, Theatre Royal Concert Hall and The Cornerhouse.

The property benefits from excellent transport connectivity, with the nearest NET tram station being less than 250 metres away and offering connections throughout the wider city. Nottingham railway station is within a 15 minute walk of the property, being less than 1 km away.

The high profile redevelopment scheme 'Building a Better Broadmarsh' will significantly improve the environs of the property and Nottingham City Centre in the future. The regeneration will create a transformed southern gateway to the city, boosting the local economy by an estimated £1.1 billion GVA per annum. The extensive plans include the redevelopment of into Broadmarsh, the demolition and reconstruction of the existing Broadmarsh Car Park and Bus Station and pedestrianisation of numerous principle streets. The £250 million programme of works is underway and is expected to be completed by Q3 2020.







DESCRIPTION

City Gate East & West offers a landmark office building in the heart of Nottingham's Business District.

City Gate comprises two interlinked office buildings, City Gate East & West. Both are arranged around large external atriums, which provide excellent natural light into the floor plates. The property boasts an impressive curved façade and elevations, offering a striking visual appearance.

City Gate East is arranged over basement, ground and seven upper floors whilst City Gate West comprises four basement levels, ground and two upper floors. City Gate East & West are connected by a bridge link structure containing central plant and M&E.

The property totals 16,339 sq m (175,871 sq ft), and benefits from a total of 501 secure car parking spaces giving an exceptional city centre car parking ratio of 1:334 sq ft.

The office accommodation, the majority of which has been refurbished, includes the following features:

City Gate West

- Open-plan with an average floor plate size of just over 19,000 sq ft
- Suspended ceilings with a mix of upgraded LED and LG7 compliant lighting
- Majority VRF Air Conditioning, Part Perimeter Heating and Cooling
- Newly Completed Grade A Specification Reception Area
- Fully Refurbished High Specification Common Areas and WC's
- 4 passenger lifts (2 passenger lifts in Core 2 serving office floors and 2 passenger lifts serving parking levels)
- 415 secure car parking spaces, shared by tenants of both buildings, over ground and 4 basement levels

City Gate East

- Open-plan with an average floor plate size of just under 19,000 sq ft
- Suspended ceilings with a mix of upgraded LED and LG7 compliant lighting
- Part VRF Air Conditioning, Part Perimeter Heating and Cooling
- Two Refurbished Feature Receptions
- Part Refurbished Common Areas and WCs
- 4 passenger and 2 service lifts serving all floors (2 passenger lifts in Core 1, 2 passenger lifts in Core 3 and 2 lifts in the Service Core)
- 86 secure car parking spaces at basement level



ACCOMMODATION

Atlantic Geomatics have undertaken a measured survey, reliance on which is available to the purchaser.

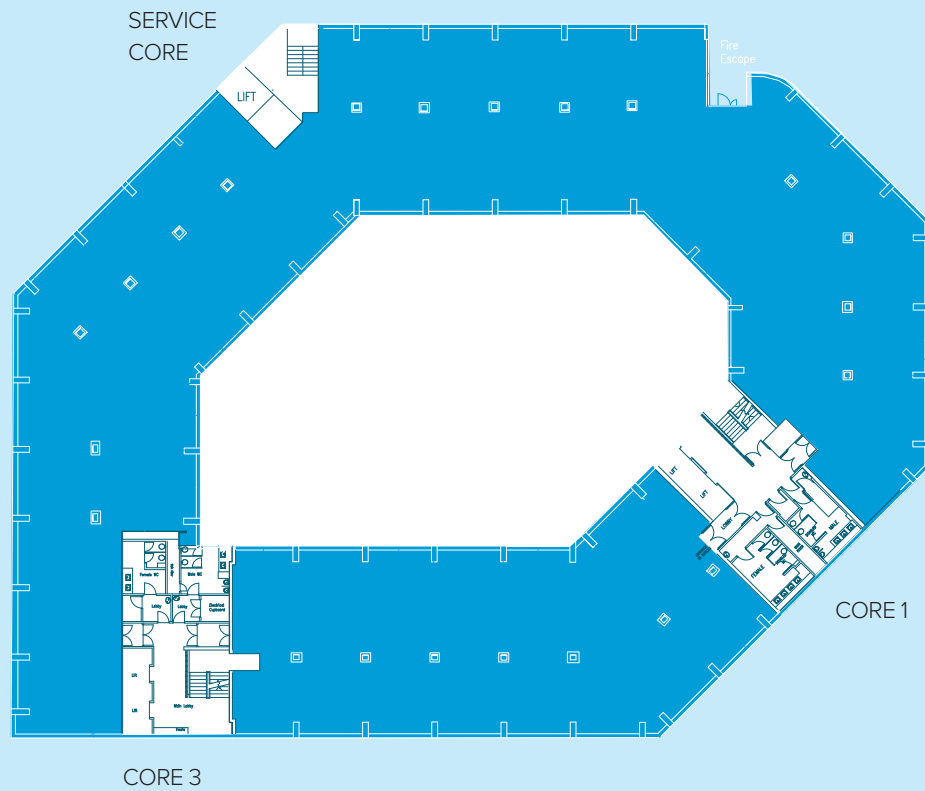
The Property has been measured in accordance with the new RICS Property Measurements (1st Edition), which incorporates the new International Property Measurement Standards (IPMS) and RICS Code of Measuring Practice (6th Edition), respectively, to provide the following IPMS and NIA floor areas:

		IPMS/GIA*		NIA	
FLOOR	TENANT	AREA (SQ M)	AREA (SQ FT)	AREA (SQ M)	AREA (SQ FT)
CITY GATE EAST					
Seventh	RSM / Vacant	1,927.70	20,749	1,759.60	18,940
Sixth	Regus	1,930.40	20,779	1,772.00	19,074
Fifth	Amlin Corporate Services / Domestic & General	1,927.20	20,745	1,768.30	19,035
Fourth	JLL / Experian / Vacant	1,920.20	20,669	1,760.10	18,946
Third	Local World / Vacant	1,927.40	20,746	1,769.60	19,048
Second	Nottingham Trent University	1,927.40	20,747	1,767.00	19,020
First	LSH / Nottingham Trent University	1,875.20	20,185	1,723.30	18,550
Ground	Toll Bar Public House	531.50	5,721	494.40	5,322
SUB TOTAL		13,966.97	150,340	12,814.30	137,934
CITY GATE WEST					
Second	Scape Group	1,912.60	20,587	1,763.10	18,978
First	Arup / Vacant	1,912.60	20,587	1,761.40	18,960
SUB TOTAL		3,825.20	41,174	3,524.5	37,937
TOTAL		17,792.17	191,514	16,338.80	175,871

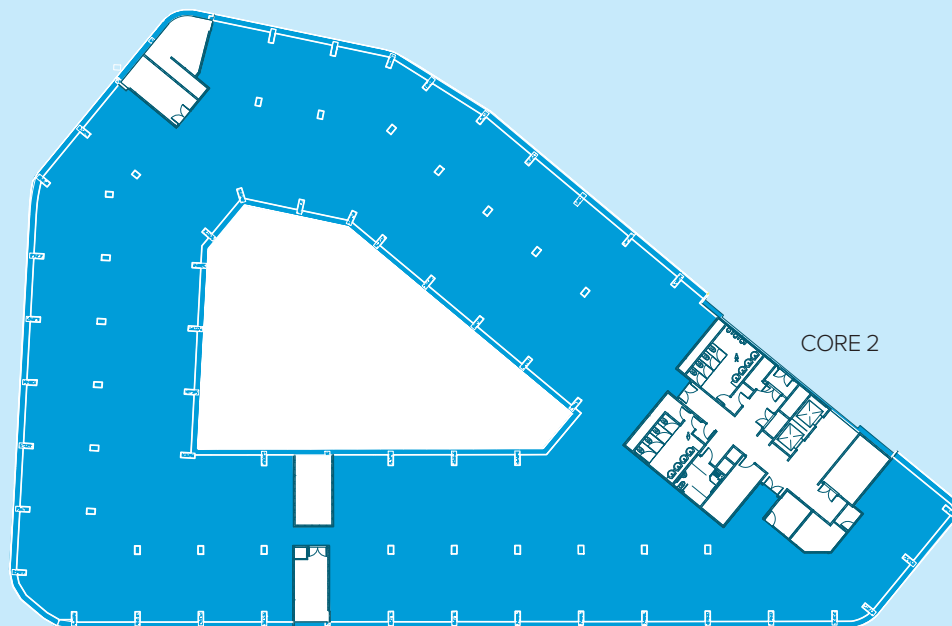
*Toll Bar Public House measured on a NIA & GIA basis in accordance with new RICS Property Measurements (1st Edition)



TYPICAL FLOORPLATE - CITY GATE EAST



TYPICAL FLOORPLATE - CITY GATE WEST



TENURE & TENANCY

The property is held long leasehold from Tiga Properties Limited, for a term of 175 years from 25 December 1975, providing in excess of 132 years unexpired.

The current ground rent is £85,000 per annum which was set at rent review in 2010. The ground rent is reviewed every 35 years (next review due 2045) to 5% of the estimated rental value.

The property is let in accordance with the following tenancy schedule:-

Description	Area (Sq M)	Area (Sq Ft)	Parking Spaces	Tenant	Lease Start	Lease Expiry	Break	Rent Review	Rent p.a.	
CITY GATE EAST										
Ground Floor Toll Bar Public House	494.40	5,322		El Group Plc t/a The Toll Bar	25/12/1975	14/12/2150		25/12/2045	£11,050	
Part 1st Floor	453.70	4,884	5	Lambert Smith Hampton Group Ltd	17/04/2015	16/04/2025	16/04/2020	17/04/2018	£32,865	
Part 1st Floor	1,269.60	13,666	13	The Nottingham Trent University	06/04/2016	05/04/2026	06/04/2021	06/04/2021	£132,860	
2nd Floor	1,767.00	19,020	19	The Nottingham Trent University	29/03/2018	28/03/2028	29/03/2023	29/03/2023	£228,240	
Part 3rd Floor	610.40	6,570		Vacant					£0	
Part 3rd Floor	497.10	5,351		Vacant					£0	
Part 3rd Floor	662.10	7,127	13	Local World Ltd Guarantor - Local World Holdings Ltd	15/09/2017	14/09/2027	14/09/2022	15/09/2022	£81,000	
Part 4th Floor	750.43	8,078	8	Experian Ltd t/a HD Decisions	20/07/2017	19/07/2022	19/07/2020		£91,494	
Part 4th Floor	510.96	5,500	9	Experian Ltd t/a HD Decisions	08/08/2017	19/07/2022	19/07/2020		£60,885	
Part 4th Floor	256.70	2,763		Vacant					£0	
Part 4th Floor	242.00	2,605	10	Jones Lang LaSalle Ltd	11/10/2013	10/10/2023	11/10/2021		£29,958	
Part 5th Floor	1,268.10	13,650	14	Domestic & General Group Ltd	25/08/2017	24/08/2022	25/08/2020		£154,491	
Part 5th Floor	500.20	5,385	6	MS Amlin Corporate Services Ltd t/a The Insolvency Risk Specialists	31/08/2010	30/08/2020			£63,684	
6th Floor	1,772.00	19,074	18	Nottingham Citygate Centre Ltd t/a Regus	22/07/2009	21/07/2019			£271,911	
Part 7th Floor	1,267.40	13,642	13	RSM UK Management Ltd	05/03/2014	04/03/2024	04/03/2019	04/03/2019	£149,554	
Part 7th Floor	492.20	5,298		Vacant					£0	
CITY GATE WEST										
Part 1st Floor	1,187.61	12,787	11	Ove Arup & Partners International Ltd	TBC	15/03/2025		25/03/2020	£161,150	
Part 1st Floor	573.49	6,173		Vacant					£0	
2nd Floor	1,763.10	18,978	19	Scape Group Ltd	New 10 year lease, with 5 year break				£266,322	
ADDITIONAL CAR PARKING										
Car Parking				Henry Boot Developments Ltd	25/03/1976	24/06/2150			£0	
Car Parking			2	Scape Group Ltd	11/04/2017	10/04/2018			£1,600	
Car Parking			37	Nottingham Citygate Centre Ltd t/a Regus	Holding over				£18,500	
Car Parking			26	Various Pay As You Go Arrangements					£5,000	
Car Parking			278	Vacant					£0	
GROSS TOTAL	16,338.80	175,873	501							£1,760,563
HEAD RENT										-£85,000
NET TOTAL										£1,675,563

Rent Per Sq Ft	ERV p.a.	ERV Per Sq Ft	Comments
£2.08	£11,050	£2.08	Ground Floor - 2,713 sq ft (252.0 sq m); First Floor - 2,609 sq ft (242.4 sq m). Rent increases every 35 years and equates to 13% of the head rent payable.
£6.73	£58,608	£12.00	Tenant break on 6 months written notice. Current service charge cap of £35,912.47 per annum with 3% annual increases. No current shortfall.
£9.72	£163,992	£12.00	Tenant break on 6 months written notice. Current service charge cap of £102,634 per annum with 3% annual increases. No current shortfall. Lease subject to a Schedule of Condition.
£12.00	£228,240	£12.00	37 months rent free from lease commencement, comprising 12 months incentive and 25 months in lieu of the tenant undertaking Cat A refurbishment works, to be covered by the vendor at the point of sale. Tenant break on 6 months written notice. Current service charge cap of £142,650 per annum with 3% annual increases. No current shortfall.
	£78,840	£12.00	Unrefurbished.
	£64,212	£12.00	Refurbished.
£11.37	£85,524	£12.00	9 months rent free from lease commencement, to be covered by the vendor at the point of sale. Tenant break on 6 months written notice. Additional 6 months rent free will be granted should the tenant not exercise their break option. Service charge cap in place until 14/09/2022. Current service charge cap of £61,800 per annum with 3% annual increases. No current shortfall.
£11.33	£96,936	£12.00	11 months rent free from lease commencement, to be covered by the vendor at the point of sale. Tenant break on 6 months written notice. Additional 3 months rent free will be granted should the tenant not exercise their break option. Current service charge cap of £57,362.76 per annum with 3% annual increases. No current shortfall.
£11.07	£66,000	£12.00	11 months rent free from lease commencement, to be covered by the vendor at the point of sale. Tenant break on 6 months written notice. Additional 3 months rent free will be granted should the tenant not exercise their break option. Current service charge cap of £39,907.35 per annum with 3% annual increases. No current shortfall.
	£33,156	£12.00	Currently occupied by Scape Group, who will vacate on completion of fit out works to City Gate West 2nd floor.
£11.50	£31,260	£12.00	Reversionary lease agreed from October 2018, subject to board approval. 3 months rent free from 11 October 2018, to be covered by the vendor at the point of sale. Current service charge cap of £16,668 per annum with annual RPI linked increases.
£11.32	£163,800	£12.00	9 months rent free from lease commencement, to be covered by the vendor at the point of sale. Tenant break on 6 months written notice. Current service charge cap of £100,755 per annum with 3% annual increases. No current shortfall.
£11.83	£64,620	£12.00	Current service charge cap of £49,353.61 per annum. No current shortfall.
£14.26	£228,888	£12.00	Rent is calculated on a turnover basis. Turnover rent received for 2017 totalled £271,911 per annum. Further information on turnover provisions and previous turnover certificates available upon request. Tenant's option to renew for a further 5 years, subject to 12 months written notice. Lease subject to a Schedule of Condition.
£10.96	£163,704	£12.00	Tenant break on 9 months written notice. Additional 6 months rent free will be granted should the tenant not exercise their break option. Current service charge cap of £81,647.03 per annum.
	£63,576	£12.00	Currently occupied by Scape Group, who will vacate on completion of fit out works to 2nd floor City Gate West.
£12.60	£179,018	£14.00	Lease will commence on completion of Cat A works, scheduled for May 2018. 12 months rent free from lease commencement, to be covered by the vendor at the point of sale. Current service charge cap of £89,527.50 per annum with 3% annual increases.
	£86,422	£14.00	Unrefurbished.
£14.03	£265,692	£14.00	Lease will commence on completion of Cat A works, scheduled for May 2018. 2 months rent free from lease commencement, to be covered by the vendor at the point of sale. Tenant break on 6 months written notice. Current service charge cap of £143,147.50 per annum with 3% annual increases. No current shortfall.
	£0		Peppercorn rent. 98 car parking spaces on entire upper basement level of City Gate East. Accessed off Wollaton Street.
	£1,600		1 parking licence
	£18,500		5 car parking licences, signed between June 2014 and October 2016, holding over.
	£5,000		Pay as you go income from existing occupiers estimated at approximately £5,000 per annum.
	£0		Of the 297 car parking spaces, 24 are considered unusable due to size, and 4 are used as a cycle rack.
£2,158,638			
£2,073,638			

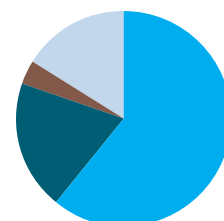


INCOME ANALYSIS

NAME	INCOME %
The Nottingham Trent University	20.5%
Nottingham Citygate Centre Ltd	16.5%
Scape Group Ltd	15.2%
Ove Arup & Partners International Ltd	9.2%
Domestic & General Group Ltd	8.8%
Experian Ltd	8.7%
RSM UK Management Ltd	8.5%
Local World Ltd	4.6%
MS Amlin Corporate Services Ltd	3.6%
Lambert Smith Hampton Group Ltd	1.9%
Jones Lang LaSalle Ltd	1.7%
El Group Plc	0.6%
Other	0.3%

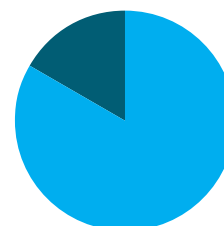
Income Length to Lease Expiry

6 Years +	60.4%
4 - 6 Years	19.1%
2 - 4 Years	3.6%
Less than 2 years	15.8%



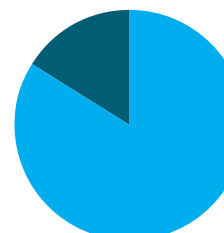
Covenant Strength

Minimum Risk	83.5%
Other	16.5%



Vacancy

Let	149,716 sq ft
Vacant	26,155 sq ft





COVENANT

NAME	DUN & BRADSTREET	CREDIT RISK	ACCOUNTS DATE	TURNOVER	PROFIT	NET WORTH
El Group PLC	5A1	Minimum Risk	30/09/2017	£648,000,000	£58,000,000	£1,181,000,000
The Nottingham Trent University	N/A	Undoubted	-	-	-	-
Lambert Smith Hampton Group Ltd	N1	Minimum Risk	31/12/2016	£91,824,000	£2,090,000	-£8,824,000
Local World Ltd	4A1	Minimum Risk	01/01/2017	£183,496,000	£16,624,000	£16,166,000
Experian Ltd	N1	Minimum Risk	31/03/2017	£621,000,000	£119,000,000	-£104,000,000
Jones Lang LaSalle Ltd	5A1	Minimum Risk	31/12/2016	£358,935,000	£28,333,000	£201,526,000
Domestic & General Group Ltd	4A1	Minimum Risk	31/03/2017	£31,308,901	£31,276,394	£21,003,472
MS Amlin Corporate Services Ltd	N1	Minimum Risk	31/12/2016	£349,649,000	£7,443,000	-£7,182,000
Nottingham Citygate Centre Ltd	N4	High Risk	31/12/2016	£667,000	-£197,000	-£1,113,000
RSM UK Management Ltd	2A1	Minimum Risk	31/03/2017	£61,619,000	£2,229,000	£3,812,000
Ove Arup & Partners International Ltd	5A1	Minimum Risk	31/03/2017	£677,100,000	£40,100,000	£65,600,000
Scape Group Ltd	2A1	Minimum Risk	31/03/2017	-	-	£3,212,971

MARKET COMMENTARY

Nottingham is the largest commercial centre of the East Midlands, centrally located in the UK, with a strong occupier base from the business services and public sectors.

With a total built stock of over 10 million sq ft along with a high quality business community and dynamic Central Business District area, major occupiers include Boots, Experian, Capital One, Freeths, Browne Jacobson, HMRC, Eon, Domestic & General, Parexel and KPMG.

Take-up

Take up within Nottingham's city centre office market was just below 200,000 sq ft in 2017, up on 2016, but slightly below the five year average of around 225,000 sq ft per annum. This in part can be attributable to the severe shortage of up and built Grade A space, along with the pattern of lease events which have acted as a drag on the market. Increased occupier requirements are anticipated to come to the market during the course of 2018 and in to 2019.

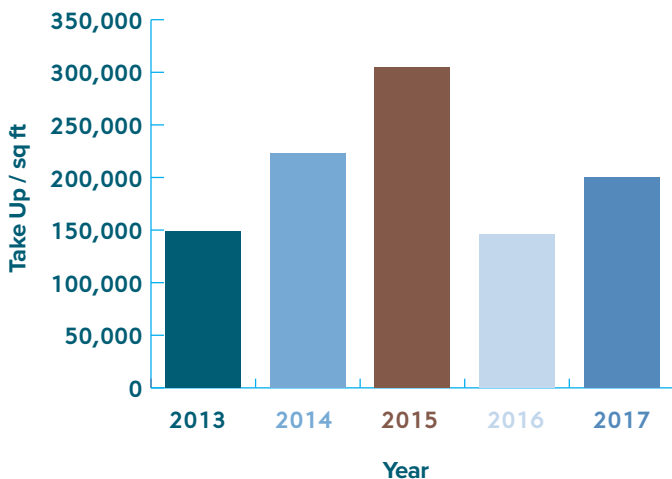
The lack of Grade A stock has facilitated continued refurbishment of existing office buildings, leading to a sustained period of rent growth. Grade A headline rents have now reached £19.50 per sq ft. The lack of available Grade A accommodation has been to the benefit of Grade B accommodation, particularly buildings able to offer good quality flexible and open plan floor plates. These buildings, including City Gate East & West, have secured good occupier covenants at improved rents, and have generated the highest level of take-up.

Principle tenant demand is drawn from Professional Services, followed by Government, Education and Manufacturing sector occupiers. Principal take-up is within the 5,000 – 15,000 sq ft range, however there have been a number of notable larger transactions boosting annual take-up, as seen with some of the larger floor plate lettings at City Gate East & West. This pattern of take-up is expected to continue.

Supply

There continues to be a severe shortage of Grade A supply within Nottingham city centre. Immediately available stock stands at below 65,000 sq ft. While new build schemes are in the pipeline, new stock is not expected to enter the market until 2020 at the earliest. The shortage of Grade A accommodation is bolstering the Grade B office market, where total availability in the city centre is now less than 240,000 sq ft.

The improving levels of tenant demand, combined with a lack of good quality available product is expected to compound the shortage of supply in the market. This is already leading to improving rents and a hardening of incentives levels for good quality office product.





Significant Transactions

Within the last 12 months, there have been several significant transactions within Nottingham's prime office core. These are as follows;

Date	Property	Size (sq ft)	Tenant	Term	Headline Rent (per sq ft)
Q2 2018	City Gate East	19,020	The Nottingham Trent University	10 years	£12.00
Q1 2018	City Gate West	18,978	Scape Group	10 years	£14.03
Q4 2017	Agora, Cumberland Place	15,096	Department for Education	10 years	£17.00
Q3 2017	City Gate East	13,578	Experian	5 years	£11.37
Q3 2017	City Gate East	13,649	Domestic & General	5 years	£11.32
Q4 2016	Water Court, Canal Street	18,867	Eversheds	10 years	£18.50
Q2 2016	37 Park Row	6,361	Thompsons LLP	10 years	£17.00



PROVEN TRACK RECORD

City Gate East & West is subject to continued occupier demand and boasts an impressive track record:

- Excellent recent performance with 8 new lettings and regears agreed in the last 12 months.
- Over 87,000 sq ft of new lettings and lease regears in the last 12 months with new and existing tenants including Nottingham Trent University, Local World, Experian, JLL, Domestic & General, Arup and Scape Group.
- New headline rent on refurbished accommodation of £14.00 per sq ft in City Gate West and £12.00 per sq ft in City Gate East.
- 26,155 sq ft of currently vacant accommodation provides the immediate opportunity to drive rental performance in the short term.





ASSET MANAGEMENT

City Gate East & West benefits from a number of attractive asset management opportunities:

Let the Vacant Space – market and let the vacant space against a backdrop of constrained supply and robust demand, focusing on the building's prime location and enviable tenant line up as a key selling point to occupiers.

Speculative Refurbishment of Vacant Space – recent lettings have been secured while the accommodation has been in an unrefurbished condition. Refurbishment of the remaining vacant space is likely to improve marketability and achievable rent.

Improve the rental tone within the building – Target new lettings but actively manage upcoming rent reviews and regear opportunities. These provide achievable reversion potential as a result of;

- Low Average rent of less than £11.00 per sq ft
- 8 leases with rents below £12.00 per sq ft
- Latest letting in City Gate West completed at £14.00 per sq ft in 2018

Tenant Retention – All tenants are in occupation and City Gate East & West boasts an unrivalled tenant line-up of corporate occupiers. This provides the opportunity to enhance the asset further by re-gearing leases and extending the income secured against excellent covenants.

Building Profile – Enhance the profile of the building and capitalise on one of the best business addresses in the city, through a re-invigorated marketing campaign and reviewing the branding.

Increase Car Parking Income – At present there are 297 vacant car parking spaces, providing the opportunity to significantly increase rent roll.



FURTHER INFORMATION

VAT

The property has been elected for VAT. It is anticipated the sale will be treated as a Transfer of a Going Concern (TOGC).

Data Room

A data room has been prepared, containing relevant supporting documents and information. Access is available upon request.

Tenancy & Holding Costs

A detailed Excel copy of the tenancy schedule, incorporating void holding costs, is available to view in the data room.

Measured Survey

An Atlantic Geomatics measured survey is available to view in the data room. Full reliance on this survey is available.

Building and M&E Surveys

Building and M&E surveys are available to view in the data room. Full reliance on these surveys is available.

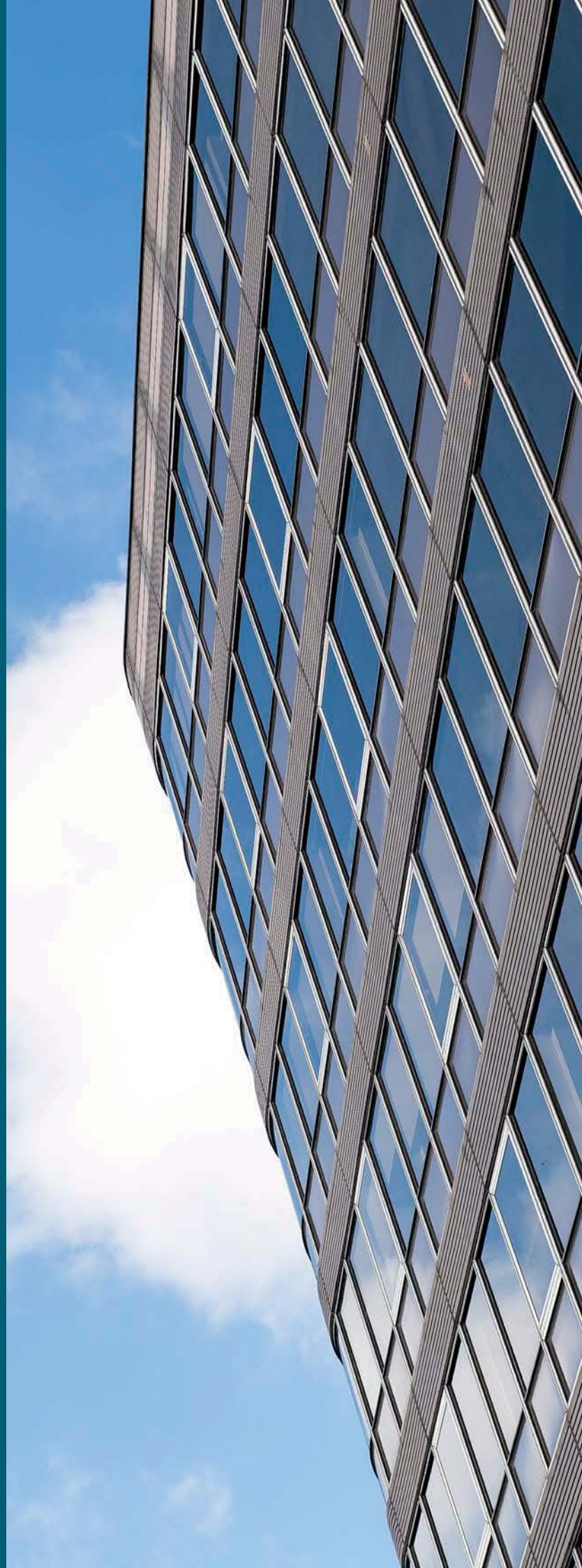
Service Charge

There is a service charge operating at the property. The service charge budget for the year ending 31/12/2018 is £ £1,290,000. Further information is available to view in the data room.

Energy Performance Certificate

The Energy Performance Certificate is available to view in the data room.

This property is being marketed for sale on behalf of Joint Liquidators and therefore no representations, warranties or guarantees in any respect can be given. The information in these particulars has been provided to the best of their knowledge but the purchaser must rely solely upon their own enquiries. The Joint Liquidators are acting without personal liability.





PROPOSAL

We are instructed to seek offers in excess of **£15,700,000** subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive **Net Initial Yield of 10.00%**, potential reversionary yield of 12.37% and a low capital **value of £89.27 per square foot**, assuming standard purchaser costs.

CONTACT

For further information or to arrange an inspection, please contact:-



Birmingham
45 Church Street
Birmingham
B3 2RT

Ben Kelly
T: +44 (0)121 634 6527
E: ben.kelly@eu.jll.com

Nick Wood
T: +44 (0)121 634 6549
E: nicholas.wood@eu.jll.com

Keir Salter
T: +44 (0)121 634 6571
E: keir.salter@eu.jll.com

Nottingham
City Gate East
Nottingham
NG1 5FS

James Keeton
T: +44 (0)115 908 2141
E: james.keeton@eu.jll.com

Kate Richardson
T: +44 (0)115 908 2128
E: kate.richardson@eu.jll.com

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Misrepresentations Act 1967 & Declaration

Jones Lang LaSalle for themselves and for the vendors of this property whose agents they are give notice that: a) the particulars are set out as general outline only for the guidance of intending purchasers and do not constitute, nor constitute part of, an offer or contract; b) all descriptions, dimensions, references to condition and necessary permissions for use and occupation and other details are given in good faith and are believed to be correct, but any intending purchaser should not rely on them as statements or representations of fact but should satisfy themselves by inspection or otherwise as to the correctness of each of them; c) no person in the employment of Jones Lang LaSalle has any authority to make or give any representation or warranty whatever in relation to this property.

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